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Lloyds Bank Limited

MONTHLY REVIEW

AUGUST 1938



Lloyds Bank Limited

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Lloyds Bank Limited

Monthly Review

New Series—Vol. 9

AUGUST, 1938

No. 102

Notes of the Month

The Money Market.—Since the end of the half-year the market has returned to its accustomed ease. Loans against bonds have not always been too easy to obtain, and rates charged by lenders other than the clearing banks ran at one time in July up to $\frac{3}{4}$ per cent. The clearing banks have been ready lenders against bills at $\frac{1}{2}$ per cent., and have also been keen buyers of September and October maturities. The market, however, has not been too ready to sell bills. One reason is that it held most of the bills maturing in July, and so was amply supplied with cash as these bills were repaid. Conversely it did not fare too well at the July tenders for new Treasury bills, and so had not very many new bills for which to pay.

The Defence Loan call of about £38 millions on July 1st has not made money any less abundant, nor did it cause any real pressure for funds on that day. On the contrary, there is growing evidence of a diminution in the supply of Treasury bills available to the market. After rising to £585 millions on June 18th, the total volume of bills issued by tender had shrunk by July 30th to £565 millions. On July 22nd only £42 millions of bills were allotted out of the original offer of £45 millions, and the following week the amount offered was reduced to £40 millions or £5 millions less than the current maturities. To understand this shrinkage it must not be forgotten that last June's War Loan dividend was covered out of the cash obtained by the Exchange Equalisation Account as the result of the covering of the May repatriation of funds to France. Since then there have been the first two payments on the new Defence Loan issue, while the final call is due on August 12th. By that date the Government will have received the whole of the proceeds of the loan, amounting to £78 millions in cash, and pending its eventual expenditure, this money will

automatically be used to reduce the floating debt. For all these reasons it looks as if the seasonal growth in the Treasury bill issue, which usually occurs between April 1st and December 31st, will be less than normal, and so the market may find itself short of bills during the autumn months.

The Foreign Exchanges.—The main change during the past few weeks has been the greater strength of the dollar. At the end of June the New York exchange was quoted at \$4.95 $\frac{3}{8}$, but by July 21st the rate had fallen to \$4.91 $\frac{1}{8}$, and at the end of the month it was a shade lower at \$4.91 $\frac{1}{16}$. There has recently been a fairly big commercial demand for dollars. This is partly seasonal, as the forthcoming American crop movements are already being covered, but other factors are operating as well. For one thing, the United States, which for the first half of 1937 had an import surplus, now has once more her usual export surplus. Again, the world recession and fall in commodity prices have affected the value of the export of most of the sterling area countries, which are mainly shippers of primary products; and there is also some evidence that British exports of manufactured goods to the United States are being held back pending the conclusion of the Anglo-American Trade Agreement. All this means a definite shifting of the balance between the dollar and sterling, for it must be remembered that the pound is affected by the foreign exchange needs of the whole sterling area. The subsidence of the "dollar scare," which sprung up during June, has also caused a natural reaction in favour of the dollar, intensified by the recovery in Wall Street and the fresh Continental demand for American securities. Last but not least, there has lately been a belief on the Continent that the pound was about to be "stabilised" at \$4.866. There is no evidence of any foundation for this belief, which, indeed, has been the subject of several denials from official quarters, but it undoubtedly led many operators to buy dollars in advance of their needs. The main point to notice is that some, but not all of these influences are short-term in character, and so it does not entirely follow that the dollar will maintain its present strength. Still, the market has had a useful reminder that changes in the balance of trade, as well as international capital movements, affect the course of the exchanges.

On the Continent the belga has naturally moved with the dollar. Some nervousness was felt in the franc early

in July, but its tone has since improved. The tourist demand for francs is unusually heavy, while since the May depreciation there has been a slight improvement in French production and exports. Nor does the immediate outlook for the French Treasury arouse any serious misgivings. The spot Paris rate has therefore been easily held at just over Frs.178, and it is not thought that the French authorities have lost much gold during recent weeks. Swiss francs have recently appreciated in sympathy with the dollar, and Argentine free pesos have become a little firmer.

The Stock Exchange.—After responding to the American recovery during the end of June and early July, markets have once more become hesitant. British Government securities have remained steady, though not quite up to their level of early July. In the foreign bond market German and Austrian bonds rose sharply on the news of the new Anglo-German transfer agreement, but some of the ground then regained has since been lost. Home rails have sagged continuously, owing to the falling-off in traffics and the disappointing half-yearly statements. There has been little business in Argentine rails. Industrials followed the general trend. They improved until early July, but have since reacted, partly because of the cut in Courtaulds interim dividend. The market became a little firmer towards the end of the month, but the approach of the holidays and the various possibilities attending the course of trade next autumn have made the industrial share market for the moment indeterminate in character. The most that can so far be said is that prices are better than they were either in March or early June, while there has also been the recent recovery in Wall Street.

Oil shares have definitely improved during the past few weeks. Rubber and base metals followed the general trend, rising in early July, but losing a little ground later on. Here, again, prices are better than they were in June. Gold mines improved early in July, and on the whole have since remained steady. The atmosphere of all markets at the end of the month, however, was one of comparative calm.

Overseas Trade.—The June trade returns show that both imports and exports continue to be less in value than those of last year. The decline in imports is largely due to the year's

fall in prices, and certain imports such as those of wheat, rubber and petroleum were greater than in June, 1937. Exports in most cases were less in volume, the chief exception being those of machinery. There is a very noticeable contraction in exports of textiles.

	May, 1937	June, 1937	May, 1938	June, 1938
	£ millions			
Imports	83·2	88·2	75·4	76·5
British Exports	42·7	44·4	38·2	36·9
Re-exports	7·4	7·1	7·2	5·0
Total Exports	50·1	51·5	45·4	41·9
Import Surplus	33·1	36·7	30·0	34·6

Comparing May and June this year there is little noticeable change. Raw material imports have fallen from £20·4 to £19·4 millions, but this decrease largely reflects interruption in June also to the Whitsun holidays. Exports of British manufactured goods have fallen from £29·5 to £28·8 millions, but here again Whitsun may be the explanation.

The returns for the first six months of the past two years are summarised below :—

Description	Jan.-June, 1937	Jan.-June, 1938	Increase (+) or Decrease (—)
	£ mn.	£ mn.	£ mn.
Total Imports	484·1	469·6	— 14·5
Retained Imports	443·5	436·7	— 6·8
Raw Material Imports	152·7	133·3	— 19·4
Manufactured Goods Imports	128·9	122·2	— 6·7
Total Exports, British Goods	251·2	233·2	— 18·0
Coal Exports	16·7	18·3	+ 1·6
Iron and Steel Exports	23·2	22·2	— 1·0
Cotton Exports	34·3	25·9	— 8·4
British Manufactured Goods Exports	195·0	183·5	— 11·5
Re-exports	40·6	32·9	— 7·7
Total Exports	291·8	266·1	— 25·7
Visible Trade Balance	— 192·3	— 203·5	— 11·2

Total imports have fallen by £14·5 millions, but owing to the decrease of £7·7 millions in re-exports, retained imports have only fallen by £6·8 millions. Exports of British goods have shrunk by £18·0 millions, nearly half this decrease being due to the contraction in shipments of cotton yarn and cloth.

Apart from this serious decrease, the decline in exports of British manufactured goods is not in the aggregate very serious. The adverse visible trade balance is still £11·2 millions greater than in 1937, but for the first three months of the year, when imports were heavier, it was £18·5 millions greater. Imports have lately contracted more than total exports, for between the first and second quarter of 1938 imports fell from £245 to £225 millions, and exports only from £137 to £129 millions. Thus the strain on the exchanges due to our import surplus is, for the moment, diminishing, but the position may easily be reversed in the autumn.

Commodity Prices.—Since the middle of June there has been a slight but definite recovery in British wholesale prices, for the index number has risen from 118·9 to 122·3 (September, 1931=110). Food prices are slightly higher, and there have been rises, in some cases considerable, in the prices of raw cotton, non-ferrous metals and rubber. A similar improvement has taken place in the United States, where wholesale prices have risen from 117·0 to 118·3. Wholesale prices in both countries are considerably lower than they were a year ago, but in England they are now no lower than at the beginning of May, while in the United States they are now back to their level of last March. Thus it looks as if the fall in commodity prices has now been checked. French wholesale prices have risen by less than 3 per cent. since the beginning of May, when the last depreciation of the franc took place. This increase is not proportionate to the May depreciation of the franc, so that France has improved her competitive powers.

During June the official cost-of-living index figure rose sharply from 55 to 59 per cent. above its pre-war level. This increase was only partly seasonal, and it is stated that the prices of milk and potatoes had been affected by the late frosts and early summer drought. Retail food prices themselves rose from 38 to 46 per cent. above their pre-war level. The latest cost-of-living index figure is four points higher than it was at the same date last year.

Home Reports

The Industrial Situation

There was a further deterioration in business during early June, but this has since been followed by a slight recovery, and by the end of July conditions were in some respects a little better than they were six or seven weeks before. Too much reliance, however, must not be placed upon any indication given by recent trends. The mid-June recession was intensified by prolonged Whitsun holiday stoppages in several industries, while more latterly the position has become obscured by the near approach of the summer holidays. It is now necessary to await the autumn to see if there are any signs of revival beyond the normal expansion in business which is then due to take place.

At the moment it is possible to say that the international political outlook appears a little more hopeful. Some exporters, however, are awaiting the conclusion of the Anglo-American Trade Agreement, while more generally the United States provides the chief riddle to the future. There are signs that the Administration's new adherence to a policy of reflation is beginning to bear fruit. American security and commodity prices are firmer, and a slightly better tone is in evidence. American observers, however, are also reserving judgment until the autumn months.

Looking back over the summer as a whole, it seems fair to say that the recession has received a definite check, for the business curve is no longer moving downwards so rapidly as in the early part of the year. This does not necessarily mean that recovery is at hand. So far the recession has only lasted a year, which, judged from the normal ebb and flow of the trade cycle, is a very short period. Also recession, like recovery, is always subject to temporary interruption, and such checks in themselves prove little. On the other hand, the world economic situation is in several respects sounder than it was eight years ago. There is no pronounced banking or financial weakness, and no serious surplus of staple commodities comparable with the heavy stocks which then existed. Finally, the possibilities of new American reflation must not be overlooked, while rearmament will continue to afford support to

many British industries and also to the producers of many important primary commodities.

Reviewing recent developments, employment fell between May and June from 11,375,000 to 11,333,000 insured workers. Coal production decreased. There was a big contraction in iron and steel production, but this may have been offset by some absorption of existing stocks. There was a slight decline in engineering activity, but exports have remained better than might have been expected. In the textile trades, cotton experienced a slight recovery at the end of June, but this has proved only temporary, and July has witnessed a fresh set-back. The wool industry is a little more active, and prices remain rather firmer than they were. Rayon production has not lost any more ground, but is still below normal. The building trades are maintaining their activity, but are not quite up to their level of the early summer. There is a better demand for industrial chemicals, but this is limited to the fulfilment of immediate requirements.

Among more general indications, wholesale prices both here and in the United States are rather higher than in June. Railway goods traffic receipts continue to decline, and electric power consumption has also decreased. June retail trade was 8.6 per cent. greater in value than a year ago, but the significance of this comparison is impaired by the variation in the date of Whitsun. Still, consumption appears to be keeping up reasonably well. Both raw material imports and exports of manufactured goods were slightly better in June than in May, when allowance is made for the shorter length of June. Shipping entries and clearances were also better, but there has been a fresh fall in freights.

On the Continent French conditions are a little better as a result of the May depreciation of the franc. Business in Belgium remains disappointing, and there is no sign of improvement in Holland. Germany remains active, but the economic problems arising out of the *Anschluss* have not yet been fully solved. There is little change in Scandinavian conditions, but Denmark has increased her foreign exchange reserves, and her prices are moving in a direction calculated to improve her trade balance.

The slight improvement in the United States has already been discussed, but it may be added that Canada has shared

in it. Industrial activity in Australia is well maintained, but wool exports will be less than in the previous season. Monsoon conditions in India have been generally favourable to the crops, but the Bombay cotton piece-goods market is depressed by Japanese competition. Conditions in South Africa remain reasonably good, but this is partly because of the continued prosperity of the gold-mining industry. In the Far East the strain of the war upon Japan is growing in intensity.

Agriculture

England and Wales.—According to an official report, at the end of June the yield of wheat in most areas was expected to be about average, and that of barley and oats slightly below average. Potatoes generally have improved and where lifting is in progress the condition of the crop is satisfactory. Yields, however, are light in some districts where growth was retarded by the drought and the May frosts. Mangolds and turnips have improved with the rains, but germination has been irregular. Sugar beet has made slow growth. Hop vines are healthy but backward. Harvesting of the hay crop has been protracted. The yield of both seeds and meadow hay is expected to be below the ten years' average. Cattle and sheep have done fairly well. Milk yields are difficult to maintain.

Scotland.—The moisture during July has greatly helped growth in all directions, and vegetation generally is in a satisfactory state. The hay harvest was interrupted by the broken weather, but most of it is now secured. The yield generally is below the average. In the produce markets wheat has been steady with less on offer. While oats have been in good demand barley has been exhausted. Potatoes have been a poor market owing to the usual heavy seasonal offerings in the wholesale trade. The livestock markets have been well supplied, with medium class bullocks and heifers in keen demand but heavies rather easier. Sheep and lambs have also met an active trade and prices for the former advanced appreciably.

Coal

Hull.—New business is extremely meagre. Prices for all qualities have been reduced, but in spite of this collieries

are having to rely principally on contract business which in many cases only allows for three or four days work each week. Exports continue on a reduced scale.

Newcastle-upon-Tyne.—The coal market continues lifeless. Any fresh business is readily absorbed without affecting the position of the collieries, which are mainly working only part time. Prices are maintained at the expense of a restricted output and a steady drop in exports. Coke is in better demand. Cartel conditions prevent any extension of business, either for prompt or forward positions.

Sheffield.—The demand for industrial fuels is slow, but this is offset somewhat by the increased call for South Yorkshire locomotive hards for the holiday train services. The export coal market is very quiet, and the bunkering trade is equally disappointing. The household fuel market is normal for the time of year.

Cardiff.—The South Wales coal market is exceedingly quiet, and buyers abroad continue to display little interest. The general tone is therefore easy, and collieries are restricting production by working short time. Prices, however, show little change, and are in some cases a matter for negotiation. Best large and low volatile beans and peas are fairly firm.

Newport.—Foreign shipments of coal during June totalled 171,000 tons, compared with 155,000 tons in May and 184,000 tons a year ago. Dock shipments, foreign and coastwise, amounted to 226,000 tons, against 236,000 tons in May, and 266,000 tons in June, 1937.

Swansea.—The anthracite market shows some irregularity. Prime qualities of large anthracites are moving satisfactorily, while second qualities are also in good demand. Third qualities are very strong, and supplies are only obtained with difficulty. Red vein large is very quiet. Among broken coals best and second qualities are moving slowly, but thirds are in strong demand owing largely to Canadian shipments. The smaller sized coals are satisfactory. Peas are particularly well placed, but culm and duffs are irregular. The steam coal market shows no change and all qualities are readily available.

Scotland.—The shipping section of the coal trade continues to decline seriously, and exports for the first half of the

year at 5,336,000 tons show a decrease compared with last year of 1,148,000 tons. The slackening of trade in many of the continental markets is one reason for this set-back, but business is also being affected very considerably by the competition of subsidised Polish and German coal. Home markets, on the other hand, remain satisfactory on the whole, but a fair amount of short time has been experienced in all districts. The financial results for May show a profit balance of £118,887, compared with £112,407 in May last year.

Iron and Steel

Birmingham.—Conditions show very little change. Specifications have been given out a little more freely, but bulk buying is definitely at a standstill. Consumers are anticipating price reductions at the end of the year, and some express the opinion that present prices will not hold even until the end of 1938. Demand should improve after the holidays, as there is little doubt that the heavy stocks with which most buyers started the year are gradually being used up.

Newport.—Many works are still working short time owing to large stocks and a decline in orders. Demand should, however, improve in the autumn when stocks are reduced. Iron and steel imports totalled only 8,300 tons, compared with 12,200 tons in May, and 18,500 tons a year ago.

Sheffield.—The steel market continues rather depressed, and very little new business is coming forward. Production of basic steel showed a further decline in June, and the output of acid-carbon and alloy steels is diminishing through lack of demand. The present situation is somewhat difficult to explain, but many people are inclined to blame the policy of stabilising prices until December 31st. The scrap market is dull, and the outlook is uncertain.

Tees-side.—The process of adjusting iron and steel production to the lower level of demand which has developed is being continued. Some blast furnaces have been blown out, and steel furnaces are working on a much smaller tonnage than a few months ago. New business is very restricted, and consumers are also taking out merely a proportion of their deliveries due under old contracts. This is particularly noticeable in the pig-iron trade. Stocks are increasing and

consumers have not yet absorbed imported materials. Steel makers are also anxious to obtain new business, for while current consumption of structural steel is moderately good, the reserve of orders on hand is steadily diminishing. Current deliveries to the shipyards are maintained, but new contracts are scarce. The steel trade and light rolled steel products are very quiet, with plant operating at much below capacity.

Swansea.—The tinplate market was quiet during June, although there were signs of a slightly better demand towards the end of the month. Makers were a little busier, and the industry was employed at 37·61 per cent. of capacity.

Glasgow.—There has been a general slowing down of business, although heavy steel makers continue to turn out large tonnages against running contracts. At present steel production is ahead of last year, but unless new business increases, the second half of the year will be less satisfactory. There is still a lull in new mercantile shipping orders, which is bound to affect the steel position, although Admiralty work is increasing. Conditions in the pig-iron industry have been distinctly quieter, and there are now only eleven furnaces in blast as against sixteen at the beginning of the year. Sheet-making firms are finding conditions more difficult, chiefly owing to the slackening in the motor car and building industries, and tube makers are working considerably below capacity. The light castings industry in the Falkirk district is also dull.

Engineering

Birmingham.—The tube trade is dull. Structural engineers are still busy on old contracts, and makers of drop forgings are getting plenty of work. The motor and motor cycle trades are still inactive, but aircraft manufacturers are well employed.

Bristol.—Employment is good in all sections. Aircraft manufacturers are still very busy. The general engineering trade has improved, but the electrical section is still somewhat slack. The position in the building industry remains generally good, though there has been a slight increase in unemployment owing to the completion of several large contracts.

Coventry.—Production plans for the 1939 motor car programme are nearing completion, and were announced

during July. Trades connected with rearmament are very busy, and as a whole the engineering industry is well supplied with orders. The aircraft industry is working to capacity, but the falling off in motor car production is still being felt by subsidiary trades.

Leeds.—A large number of firms are busy with orders to cover them for several months.

Leicester.—Conditions are good in both the home and export market.

Sheffield.—General engineers are fairly well employed. Business in most sections of the tool trade has improved, although buyers tend to withhold orders in the hope of a fall in prices. Any price movement, however, is likely to be in the opposite direction, for the demands of the 1937 Factory Act, the holidays with pay movement, and provisions for A.R.P. have all added to the cost of production. Makers of woodworking tools and twist drills are well employed, in spite of the greatly increased productive capacity. File manufacturers are moderately busy, and the demand for engineers' small tools and precision tools shows no abatement. Exports show a slight decline as compared with a year ago.

Wolverhampton.—The call for electrical plant remains steady, and business in heavy engineering generally is satisfactory. The rearmament programme is materially assisting the position and firms on such work are fully employed. Suppliers of commercial and passenger vehicles have good orders on hand, but demand for components and accessories for the motor trade is still below normal. The building trade is satisfactory.

Glasgow.—There are still no signs of improvement in the shipbuilding position. Few new mercantile orders have been reported, and the industry is steadily becoming more dependent on Admiralty work. Firms engaged on this class of work appear to be assured of very good employment for some time ahead. Marine engineering establishments are on the whole steadily employed, but some irregularity is now beginning to develop.

Metal and Hardware Trades

Birmingham.—The co'd rolled brass and copper section is very quiet. There have been a few more enquiries in some

quarters, but business is difficult and foreign competition very keen. Makers of metal smallwares are seasonally quiet. In the general hardware trade some improvement is noticeable, but quiet conditions continue in hollow-ware.

Sheffield.—Conditions in the cutlery trade remain somewhat unsatisfactory. Manufacturers of table cutlery and scissors are fairly well employed. Pen and pocket knives are in steady demand, and business in safety razors and blades is brisk. The sterling silver and E.P.N.S. sections are about normal for the time of year. Exports, except those of safety razors and blades, are lower than a year ago.

Wolverhampton.—The hardware trades are quieter, and output is well below that of last year in most cases. Demand for dry batteries and radio equipment has fallen off. Hollow-ware is less active owing to seasonal influences. The edge tool trade has also slackened. The lock industry shows a slight improvement in some sections, but there is short time working in others where demand has decreased.

Chemicals

The home market has been quiet, but demand for industrial chemicals to cover immediate requirements has increased, and prices in this section are well maintained. Wood distillation products have been slack, and dyestuffs have suffered from the depression in the textile industry. Among coal tar products some grades of creosote are in good demand, and the consumption of refined tar for road-making is average for the time of year. Pharmaceutical and other fine chemicals have been in fair demand.

Cotton

Liverpool.—In keeping with the upward trend of primary commodity prices, cotton prices advanced during the last week in June and the first week in July. Business done on "spot" terms was slightly better during this period, but fundamentally the position of the market remains unaltered and the lack of confidence which prevails seems unlikely to be dispelled while economic and political uncertainty persists. A loss of $\frac{1}{4}$ d. per lb. recorded on the "futures" market since the 5d. level was reached earlier in the month is attributable to speculative profit-taking, "hedging" of outside growths and satisfactory new crop progress reports. The market is

particularly sensitive at this time of the year to the changing condition of the American crop. The Bureau acreage report, published on July 8th, estimated an acreage of 22 per cent. less than that of last season. The good condition, aided by intensive fertilisation, indicates a yield at least equal to the five years' average.

Wool

Bradford.—The market for tops is still very quiet, but quotations remain firm. There is a little more enquiry for yarns for export, but not many orders are being received.

Hawick.—The American situation has improved, and there has been a firmer tendency in wool quotations. Border tweed manufacturers consider the outlook more hopeful than for some time past, although most of the mills are still on short hours. The hosiery trade is moderately active and orders for the autumn are fairly numerous. Spinners and dyers are a little busier.

Other Textiles

Dundee.—The acreage forecast for the new jute crop has now been completed, and advices from Calcutta indicate an increase of approximately 10 per cent. over last year. In view of the adverse crop reports through damage by flooding, however, the price of raw jute has moved irregularly with an upward trend. Yarn and cloth prices are also firm. As conditions are quiet local trade holidays are in some cases being extended.

Dunfermline.—The Fifeshire linen trade is rather quieter owing partly to the holidays. The position of the raw material remains very firm, and prices of flax and tow are still tending to rise. Spinners, however, are difficult to interest, with so little inducement for them to operate at present.

Clothing, Leather and Boots

Bristol.—There has been a seasonal slackness in the ready-made and wholesale bespoke section of the clothing trade, but employment in other sections is regarded as generally satisfactory. In the boot and shoe industry there have been further temporary discharges from most of the large firms, and the employment position is unlikely to improve until the autumn.

Leeds.—The scarcity of orders in the wholesale clothing trade is a reflection of the present poor retail trade. No doubt this is a result of the indifferent spring weather. Factories are now engaged on autumn overcoating, and orders are normal.

Leicester.—Trade in boots and shoes is very quiet, and conditions are unsettled. The hosiery trade shows no improvement, except for the manufacture of goods for autumn delivery.

Northampton.—Conditions in the boot and shoe trade are very quiet, and there is no evidence of any immediate revival. Forward and enquiry and orders for autumn lines have so far been small. There is, however, a slightly better tendency in the leather market, and prices remain steady.

Shipping

Bristol.—Imports reached a satisfactory level during June, and feeding stuffs for animals, zinc concentrates and petroleum products showed a considerable advance. The tonnage of vessels arriving is well in advance of a year ago. Stocks in dock warehouses remain at an average level.

Hull.—Enquiry is very small. Tonnage is in plentiful supply and rates for all directions remain at extremely low and uneconomical levels. Early prospects are not very bright.

Liverpool.—Changes in the freight market have been unimportant, and tonnage demand only moderately active. Rates have been largely nominal at schedule minima.

Newcastle-upon-Tyne.—Chartering moves slowly. Orders are scarce in all directions, with rates ruling in favour of shippers, in spite of owners' efforts to withhold tonnage from the market as far as possible.

Southampton.—Shipping traffic for the six months to June 30th, 1938, showed a slight decrease compared with the record figures for the corresponding period of 1937, but the latter were, of course, influenced by the Coronation and the Naval Review. The actual returns are :—

GROSS TONNAGE OF SHIPPING ENTERING DOCKS					
January-June, 1936	...	...	...	...	8,477,661
" 1937	...	...	...	...	9,354,578
" 1938	...	...	...	...	8,766,752

The 1937-38 South African deciduous fruit season which has just closed has been one of the most successful ever

experienced at the Docks. Southampton, which receives practically the whole of the Union's exports of this produce to the United Kingdom, has dealt with more than 4,300,000 packages, a total which is almost on a par with the record shipments of the 1935-1936 season.

Cardiff.—The freight market is very quiet, and the general tone is easy owing to the poor demand for export coals.

Newport.—Freight rates remain at a disastrous level, insufficient to meet running costs and leaving nothing for depreciation. With world trade at such a low level and the supply of tonnage much in excess of requirements an improvement can hardly be expected before the last three months of the year.

Swansea.—A very poor demand has circulated from all directions, and the coasting market, in particular, is extremely weak. Owners have offered tonnage very freely, and in many cases it has only been placed with difficulty. Rates have deteriorated still further and have probably now reached the lowest possible levels.

East of Scotland.—The Forth coaling ports were almost entirely idle at the middle of July. Leith dock returns for June showed no outstanding feature, save for the continued decline in coal shipments. The freight market continues very quiet with rates easy.

Glasgow.—Dullness continues to prevail in the freight market. In the Baltic trade there has been a fair amount of activity for Danish and Finnish destinations, with rates maintained at previous levels. Both the Mediterranean and Bay markets have been inactive, and on both routes rates have been moving in favour of shippers.

Foodstuffs

Liverpool, grain.—The interesting feature in the wheat "futures" market is the widening disparity between the July and October positions. The latter closed on July 23rd 1½d. per cental down at 5s. 9½d., whilst July is quoted at premium of 1s. 1d., or 6s. 10½d. per cental—an increase of 4½d. on the month. The shortage of wheat for July delivery is attributed to normal market causes; there has been a singular lack of export interest in American new crop wheat, while millers have been ready buyers of Australian "spot" grain.

Weather conditions in most wheat growing countries are satisfactory and a larger world supply for 1938-39 is indicated than for most recent years. The official estimate of 967 million bushels for the United States winter and spring crops compares with last year's final figure of 874 million bushels and a five years' average of 641 million bushels. Provisional private reports in Canada suggest a crop of 350 million bushels, against 164 million bushels last year. Maize prices have risen by about 1s. od. per quarter on the month. Trading has been active, particularly from the United States, and while British buyers are still only covering immediate needs, Germany has now become a regular importer. European native crops will shortly be maturing and will affect the demand for American and Plate maize.

Liverpool, provisions.—The market in Continental bacon is firm at higher prices, mainly owing to the increased holiday demand. American hams are also enjoying a firm market, with prices showing a tendency to harden. The demand for lard is moderate, with prices steady to a little higher of late. Trade in canned meats continues excellent at firm quotations, and there is a steady demand for canned fruits with little fluctuation in prices. The demand for Empire butters has remained quiet without much fluctuation in prices, and the market for Continental types remained steady. No decided change in cheese prices is apparent, and the demand continues to be steady.

Fishing

Brixham.—Landings of wet fish during June amounted to 2,523 cwts., valued at £3,839, compared with 2,192 cwts., valued at £3,607 in May. Demand for prime fish is keen, and prices are above the average.

Hull.—Prices continue to increase. The Bear Island embargo, which started on June 1st, further restricted supplies and prices were higher than previously. Landings totalled 471,313 cwt. during June, of a total value of £283,348, against 501,752 cwt. of value £271,013 in June, 1937.

Penzance.—The line fishing carried on by the Cornish boats during the past month has been very good. Some nice deep sea catches have also been landed. The demand for ray and skate has, on the whole, been good, and prices have

been fair. Rays have made as high as £6 per kit down to £2 18s., and skate from £6 per score down. The East Coast Mackerel fleet had all returned to their home ports by the middle of July.

Scotland.—Landings in the Scottish summer herring fishing up to July 16th totalled 364,318 crans, compared with 294,146 crans for the corresponding period last year, or an increase of 70,172 crans. As a result of heavy landings during the past month ports have had to be closed on several occasions by order of the Herring Board. The white line fishing round the coast has yielded satisfactory results, and prices have been fairly steady.

Other Industries

Paper-making and Printing.—Bristol reports that there has been a slight improvement, and the employment position is generally satisfactory.

Edinburgh reports no change in the paper-making industry which, with the advent of the holidays, is, if anything, quieter. Stocks are still high, and some easing of price has been necessary in most cases to induce business. The printing trade continues active, and prospects over the next few months are regarded hopefully.

Timber.—Hull reports that further reductions in prices of Russian goods have only resulted in fair business. The downward trend of prices has had its effect upon Finnish goods, and, to a lesser extent on Swedish. There is still, however, a wide gap between the Russian and Scandinavian prices which must be greatly reduced before the latter sellers can have any hope of selling in competition. As Russian timber is not selling well on the present basis and is expected to be reduced in price still further in the near future, considerable reductions must be made in Finnish and Swedish timber before there can be any hope of substantial business. Satisfaction is felt locally at the withdrawal of the extras for the port of Hull charged both by Russian sellers and shipowners under their minimum rates scheme. In the former case the charge has now been withdrawn unconditionally; in the case of the freight extra, although this has only been deleted until the end of August, it is not anticipated that owners will try to reimpose it.

Overseas Reports

Australia

From the National Bank of Australasia Limited

The mild autumn has caused some lessening in the sale of winter clothing, and a reduction in rural incomes has resulted in fewer motor vehicle sales, but secondary industry and building are well maintained. Retail turnovers show normal seasonal decline. Pastoral conditions have improved, but feed shortages in certain districts will continue into spring. Cereals generally are satisfactory except in marginal areas.

Eight per cent. of last season's wool production is unsold, and a 7 per cent. smaller output is expected for the current season.

Canada

From the Imperial Bank of Canada

The awaited change in public sentiment came with the end of the first half of the year. The stock market recorded an impressive advance. Commodity prices strengthened with industrial securities, on the assumption that materials and products accumulated late in 1937 had been disposed of. The textile, boot and shoe, automobile and steel industries have improved, and retail sales, measured in value, has been running only 10 per cent below last year. Metal and other sensitive commodity prices have responded to the stimulus of the revival in the United States. A highly constructive factor is the continued prospect of the best harvest in the Western provinces since the successive dry periods of the past few years began. There is confidence, too, that the moderate spending programme of the Dominion Government—in extending financial aid to municipalities and encouraging housing—will tend to sustain the construction industry.

India

Bombay.—The raw cotton market has not responded to the better feeling in the United States, partly because of the heavy stocks held in India. Japanese purchases of Indian cotton have become restricted as the result of the war, and Japan is trying to arrange long-term credits to finance her raw

cotton needs. Indian opinion is not wholly favourable to the granting of these facilities. One reason is that the piece-goods market has become very depressed as the result of Japanese competition, and it is feared that this competition will continue if these suggested credits are granted. The yarn market is a little better, and greater activity is hoped for in view of the steadier tendency of raw cotton and the favourable progress of the monsoon. It is reported that monsoon conditions have so far been generally favourable to the cotton crop.

Calcutta.—During early July jute was firm at higher prices. There was a fair enquiry for baled jute at the higher prices, Russian buying being in evidence. Local mills only bought small quantities of raw jute. Crops have been affected by excessive rain and swollen rivers, and some reduction in the yield is expected owing to immature cutting. Tea prices this season have been lower than those of a year ago. Demand has been quiet for most descriptions, but there has been good competition for the best liquoring teas.

Burma

Rangoon.—The rice market has been dull, and prices have only moved within narrow limits. The timber market has been a little more active on the European side, but the Indian section has been very quiet apart from a slightly better enquiry from Bombay. Stocks of hardware remain very light, but the up-country off-take is so poor that dealers are not interested in fresh purchase except for actual requirements or prompt shipment.

Eire

Weather conditions during June were unsettled, with frequent rain and an almost complete absence of sunshine. Haymaking was much delayed, and early meadows, where cut, were saved with difficulty. A remarkable recovery in pastures was evident in the latter half of June. All grain crops made excellent progress, and a good average yield is expected from wheat, barley and oats. The crops of sugar beet and mangold, which were backward earlier in the season, have also made good progress, but thinning and cleaning operations were hampered by the weather. The potato crop improved greatly in June, and an average crop is expected.

France

From Lloyds & National Provincial Foreign Bank Limited

The adverse visible trade balance for the first six months of this year was Frs.9,291 millions, compared with Frs.9,275 millions last year. The trade returns are summarised below :—

	First Six Months, 1937 Frs. mill.	First Six Months, 1938 Frs. mill.	Difference Frs. mill.
<i>Imports—</i>			
Foodstuffs	5,110	6,121	+ 1,011
Raw Materials	12,055	13,619	+ 1,564
Manufactured Articles ...	3,139	3,532	+ 393
	<hr/> 20,304	<hr/> 23,272	<hr/> + 2,968
<i>Exports—</i>			
Foodstuffs	1,564	1,903	+ 339
Raw Materials	3,890	4,538	+ 648
Manufactured Articles ...	5,575	7,540	+ 1,965
	<hr/> 11,029	<hr/> 13,981	<hr/> + 2,952

The number of registered unemployed on June 25th was 362,899, compared with 321,725 at the same time last year.

Railway receipts from the beginning of the year to July 1st amounted to Frs.6,930 millions—an increase of Frs.1,593 millions, or 29·84 per cent. compared with the same period last year. It must be remembered, however, that rates were increased in July, 1937, and again in January this year, by approximately 45 per cent.

A better tendency has prevailed on the Paris Bourse, due principally to the sharp rise in the New York market.

Le Havre.—Cotton prices in the futures market at Le Havre have risen by about 8 to 10 per cent., mainly because of the latest American Bureau report foreshadowing a crop of only about 10,000,000 bales. Stocks of cotton at Le Havre have been reduced, largely because of deliveries to the mills immediately before the holidays.

Business in coffee futures has been more active, but demand is restricted to seasonal needs. Owing to moderate arrivals stocks are practically unchanged. Under the new agreement between France and Haiti, imports of Haiti coffee are again permitted under licence up to a quota of 12,000 metric tons a year. The special licence duty is to be Frs.22 per 100 kilos. until further notice.

Lille.—The cotton situation shows little change. There has been an increased demand for yarns but competition is active and prices continue to sag. Stocks are low and uncertainty over the future is acting as a deterrent to buyers. Old contracts continue to occupy spinners on a 32-hour week basis, but there is no indication that new business will take the place of these in due course.

The outlook for raw flax prices continues to cause anxiety. Supplies on hand are estimated to be sufficient for a few months, but the intentions of the Soviets are unknown and spinners are still faced with the problem of reducing production. This year's increased area under cultivation in France is offset by the lesser yield, and the tonnage is expected to be little in excess of last year.

Roubaix.—Both market sentiment and actual business have improved. Combing output is well maintained. Wool for combing on commission should keep the mills busy after the holidays until the end of October. Trade in scoured and carbonised wools is only moderate, apart from North African wools, which are in good demand for the military authorities and mattress trade. The knitted goods industry is quiet, but orders for men's wear and dress goods are numerous. This in turn has stimulated the spinning section where two shifts are being worked, and orders in hand will not be completed until the end of October. The hosiery section, however, is definitely quieter. Stocks generally are low and, contrary to what happened a year ago, delivery instructions are being given before the holidays-with-pay period. In all sections there is an increasing number of enquiries from abroad. Local unemployment figures have dropped by more than half during the last three months.

Belgium

From Lloyds & National Provincial Foreign Bank Limited

Antwerp.—The traffic of the port remains normal although business has not shown much improvement. Grain has been fairly active, but there has been little change in the wool trade. The conditioning houses in Verviers report a decrease of 9,120,931 lbs. for the first six months of the year. Stocks of tops at combers amounted to 8,275,500 lbs. at the end of

June, compared with last year's figure of 6,483,400 lbs. Diamond cutting shows a recovery.

On the stock exchange the political outlook and the rally in New York have brought about some improvement, but business remains extremely quiet and irregular.

Brussels.—The very slight improvement in the demand for iron and steel from abroad, particularly Holland, South Africa and the Scandinavian countries, is being maintained. Competition from America is still being felt. The production of steel in June amounted to 172,000 tons, against 156,000 tons in May and 338,000 tons in June, 1937. For the first six months of the year production amounted to 1,038,000 tons against 1,823,000 tons for the corresponding period of last year.

Apart from the demand for certain classes of domestic qualities the coal market remains dead. Sales to France are only practicable if appreciable price concessions are made.

Germany

The world trade recession has not yet been felt in Germany. Excluding Austria there were only 292,000 unemployed workers at the end of June, but there were also 275,000 workers unemployed in Austria. These workers can only be transferred gradually to the old parts of the Reich, and this rational distribution of working capacity is one of the problems with which Germany is now faced. The general adaptation of Austrian business to German conditions is also not too easy.

The Reichs-Kredit-Gesellschaft has recently published estimates comparing national income and the amount spent annually upon investment goods including new plant. Between 1933 and 1937 national income has risen from Rm.46,600 to Rm.68,500 millions, and in the latter year 13.9 per cent. of the national income was spent upon new plant and equipment. This percentage will be still greater in 1938. In course of time this growth may place some strain upon the capital market, especially when the special bills issued continuously up to a short time ago come to be redeemed. According to one estimate some Rm.12,000 to 14,000 millions of these bills are held by the banking system, and they mature between 1941 and 1944.

The new Payments Agreement with Great Britain is welcomed in spite of the further changes imposed by it upon Germany's balance of payments.

Holland

In several branches of industry activity has declined still further as a result of the lack of purchasing power in the home market and diminished export possibilities. The effect of these influences is clearly visible in this country's foreign trade statistics which are summarised below :—

FOREIGN TRADE OF THE NETHERLANDS

	Imports In Millions of Guilders		Exports		Percentage of Imports covered by Exports	
	1937	1938	1937	1938	1937	1938
January ...	106	119	73	82	68·9	68·9
February...	105	118	79	82	75·2	69·5
March ...	125	120	94	90	75·4	75·0
April ...	142	115	101	81	71·1	70·4
May ...	128	110	90	83	70·3	75·5
June ...	140	119	95	81	67·8	68·1
Total ...	746	701	532	499	71·3	71·2

Wholesale prices recorded a further decline in June, but became firmer towards the end of the month :—

INDEX NUMBERS OF WHOLESALE PRICES (1926/30 = 100)

	Foodstuffs	Raw Materials	Manufactured Products	General Index Number
1936 September ...	65·8	48·4	66·1	62·6
1937 Yearly average ...	75·8	69·3	78·8	76·2
1938 January ...	79·0	61·8	78·1	75·2
March ...	75·4	59·3	77·0	73·2
May ...	74·4	57·1	76·0	71·9
June ...	74·9	56·0	75·6	71·6
Percentage rise since September, 1936 ...	13·8	15·7	14·4	14·4

On the other hand the cost of living for working-class families has risen. The index number for Amsterdam (pre-war—100) was 140·4 for June, 1938, against 139·1 in May and 132 in September, 1936. The rise is mainly due to the higher prices of foodstuffs ; potatoes in particular being considerably dearer as weather conditions have delayed the new harvest.

There has been increased activity in the market for new capital issues, largely in connection with new issues of foreign securities, many of which have taken the form of trust units.

Norway

The trade returns for June are summarised below. The decline in imports was mainly in raw and semi-manufactured materials and in textiles and cereals. There was an increase in imports of colonial produce and also in ships, vehicles and machinery. Timber exports were unchanged, but since June, 1937, there has been a pronounced decline in those of paper and paper pulp.

		June, 1937	May, 1938	June, 1938 (Kr. Million)	First Half of 1937	First Half of 1938
Imports	... ..	104.8	96.0	90.8	648.3	594.8
Exports	... ..	58.9	50.1	56.5	382.3	368.0
Import Surplus	... ..	45.9	45.9	34.3	266.0	226.8

During the month ended June 15th the cost-of-living index number rose from 171 to 172 (July, 1914=100). The wholesale price index fell from 154 to 153 (1913=100). On July 17th last 111 Norwegian vessels of 520,915 tons d.w. were laid up, compared with 86 vessels of 291,000 tons a month before. On July 1st, 1938, 32,600 tons gross of shipping were being built or on order in Norway, and some 481,500 tons gross abroad for Norwegian account. This last figure included 353,000 tons gross of tankers.

The monthly index of industrial production (basis: 1935=100, adjustments made for the varying number of working days) is summarised in the following table:—

		Home Market Industries		Export Industries		Total of Industries	
		April	May	April	May	April	May
1935	...	113	113	101	109	109	111
1936	...	121	124	103	117	115	122
1937	...	135	139	111	121	127	132
1938	...	124	127	104	107	117	120

The number of unemployed persons in excess of vacant positions amounted to 22,938 in June, 1938, against 25,693 in May and 22,028 in June, 1937.

According to provisional estimates, the value of Norway's industrial production rose by 18.7 per cent. last year, viz., from Kr.1,676 millions to Kr.1,990 millions. The physical volume of the output rose by 10.3 per cent. There was a marked expansion from Kr.239 to Kr.307 millions in the value

of paper and pulp produced last year, this being due to a larger volume of output as well as to higher prices.

Sweden

The timber market has again been disturbed by a drop in Russian prices, which has upset the calculations of the other timber-exporting countries. Consequently the opening price for 1936 is exceeded by only £1. One new change for the better is that the Russians have fixed a limit to their exports to Great Britain at 400,000 standards, *i.e.*, 50,000 standards less than last year. As about 200,000 standards of Russian goods have already found a market, and the quantity now offered for sale is something like 150,000 standards, there is probably not much left for the present season. The Northern countries have been compelled to lower their quotations, but they are still approximately at the Russian level of April, so that there can be no question at present of any competition with the new Russian prices. Sweden's aggregate sales since the beginning of the year are now estimated at about 400,000 standards.

On the wood pulp market there has hardly been any appreciable change. Most transactions consist of conversions of prevailing contracts combined with agreements relating to deliveries during 1939, although during the past four weeks an increase in orders for sulphite and sulphate pulp for 1939 has also been observed. In the aggregate, however, the sales for the first six months were considerably below the corresponding figures for 1937 and 1936. The turnover of mechanical pulp is still very small, but buyers' enquiries have recently increased.

On the paper market the previous heavy accumulation of stocks has diminished, so that there is now need for replenishment. Sales have increased and the paper mills report a slight improvement in their supply of orders in hand.

On the iron and steel market the decision of the foreign cartel not to lower prices has had a stabilising effect. The interruption in building caused by the Midsummer holidays has resulted in a decline in sales of commercial iron. New orders are generally for rapid delivery, which indicates that buyers are now only covering essential requirements, but the works are now requiring a somewhat longer period to effect delivery.

Denmark

The net export surplus of agriculture has during the first five months of 1938 totalled Kr.334 millions—an improvement of Kr.21 millions compared with 1937. This is not due to an increase in the quantities exported—which for most articles show a fall—but to a rise in the prices of the various agricultural products, combined with a fall from Kr.120 to Kr.113 millions in the import of raw materials for agriculture. After small price fluctuations butter closed at Kr.216, or the same as a month ago, while eggs have risen from Kr.100 to Kr.122 and bacon from Kr.174 to Kr.188.

At the end of June the net foreign exchange reserves of the National Bank amounted to Kr.86.6 millions and those of the three principal Joint Stock Banks were Kr.27.4 millions. The total reserves of Kr.114.0 millions are Kr.25.2 millions higher than at the end of May.

The trade returns for the first five months are summarised below:—

				In Million Kroner	
				1937	1938
<i>Imports—</i>					
Raw Materials	...	...	...	240.9	206.7
Semi-manufactured Goods	...	...	...	234.9	227.2
Finished Goods	...	...	...	215.9	230.9
				<hr/>	<hr/>
				691.7	664.8
<i>Exports—</i>					
Farm Products	...	...	...	426.3	438.0
Industrial Goods	...	...	...	166.1	152.8
Other Goods	...	...	...	22.1	25.5
				<hr/>	<hr/>
				614.5	616.3

The fall in the import surplus from Kr.77.2 millions in 1937 to Kr.48.5 millions this year is one explanation of the increase in the country's foreign exchange reserves.

The June index for wholesale prices was 111, or a fall of one point from the preceding month and of 9 points, compared with June, 1937. The import index fell between May and June from 116 to 113, but the export index only fell from 110 to 108, so that prices continue to move in a way helpful to Denmark's trade balance. The current difference of only 5 points between import and export prices compares with one of 33 points a year ago.

The index figure for flats under construction rose during June from 60 to 61, but as the figure a year ago was 96, it will

be seen that the past year's set-back in house building is considerable. Unemployment for June—although lower by one per cent. as against the May figure—is still 16·5 per cent. or 2·6 per cent. higher than a year ago.

Switzerland

From Lloyds & National Provincial Foreign Bank Limited

Imports for the first half of 1938 amounted to Frs.781·4 millions, against Frs.929·8 millions for the corresponding half-year of 1937. Exports have increased to Frs.618·4 millions compared with Frs.578·9 millions for the same period of 1937.

The exchange on London has moved in favour of Switzerland during the last week or so. No particular reasons can be advanced for this movement.

It is estimated that in 1937 the income from the tourist industry amounted to some Frs.200 millions; 887,000 persons came into the country by railway and 1,076,000 by road. It is doubtful whether there will be as many visitors this summer as last year, when a considerable number of overseas tourists came on to the Continent after the Coronation.

Morocco

From the Bank of British West Africa Limited

Business conditions in the French zone of Morocco have been quiet and uncertain pending the decision of the Government regarding permits for exporting wheat, barley and maize. Although the local harvest has been satisfactory, leaving a surplus for export, France also has surplus crops, particularly of soft wheat. Thus she may not be able to absorb the quota allotted to Morocco, whose soft wheat crop is estimated at 2½ million quintals, of which only 600,000 quintals is needed for local consumption, plus 250,000 quintals, which may be reserved for emergencies by the Government. In the meantime large stocks of barley and wheat are accumulating and sales of imported goods like textiles, sugar, tea, hardware, etc. are reduced.

The United States

During the four weeks ended in the middle of July a feeling of general gloom was replaced by one of restrained optimism. More conservative opinion, however, feels that

the recent recovery on the Stock Exchange is largely the reaction from excessive pessimism. At the best the prospects are for only a moderate improvement in business in the autumn.

In spite of the recovery in other commodity prices sugar remains dull. This is because of the wide margin between the sugar quotas and the quantity of sugar going into consumption. Further emphasis is given to this discrepancy by the size of the known surplus. Trading in crude rubber has been fairly active and quotations have risen substantially, although currently somewhat lower than the best. Market reports indicate that most of the activity is on the part of speculative interests. Business in copper has shown considerable briskness. Having become convinced that 9 cents per lb. was the bottom of the market, consumers placed their orders and secured a good volume of the metal at that level. Spot "Straits" tin rose as high as 44 cents per lb. Enquiries have been numerous, but interest is mostly confined to covering possible forward requirements, as the tinplate industry is very quiet, with production probably not exceeding 35 per cent. of capacity.

For the first six months of this year output of pig-iron totalled only 7,873,026 tons, compared with 19,706,593 tons in the first half of 1937. During June two blast furnaces were put out of action, leaving 70 in operation on July 1st. Production last month totalled 1,062,021 tons, or a daily average of 35,400 tons against 40,485 tons during May. Manufacture of steel ingots during June totalled 1,638,277 tons, or about 9 per cent. below the May figures. For the half-year the aggregate was only 10,819,144 tons compared with 28,758,960 tons for January-June, 1937.

Trading in cotton futures has only been slightly more than moderately active, but the tendency has been distinctly bullish. The Department of Agriculture has reported that 26,904,000 acres were under cultivation for cotton on July 1st. This is only about three quarters of last year's acreage, from which the record crop of 18,942,022 bales was ginned. The placing of cotton under the Government loan scheme has slackened considerably. During June the quantity placed was only about 67,000 bales, with advances of less than \$3 millions. Over most of the belt the crop is definitely late. Frequent rains have retarded growth and helped weevil infestation. Cotton textile mills have been stimulated by the better demand for unfinished goods.

South America

From the Bank of London & South America Limited

Argentina.—Exports for the first six months of 1938 were valued at only 712 million pesos, compared with 1,409 million pesos for the first half of 1937. The volume of exports was the smallest for the first half of any year since 1921, while their value has only once been lower since 1917. One consequence of this contraction is that whereas Argentina had an export surplus of \$36.8 millions to the United States for the first five months of 1937, the comparable figure this year is an import surplus of \$24.1 millions. Latterly imports from all sources have been declining, and the exchange rate for the free peso has become firmer.

Recent reports state that ploughing for wheat, linseed and oats is completed in the north and west, but is continuing elsewhere. Sowing is very active and plants are developing well. Ploughing for the next maize crop has begun in the north. Slight to moderate rains have fallen over the agricultural zones. Grain markets were inclined to be weak during July. The fall in maize prices is attributed to lack of confidence and to the uncertain quality of the local crop. The wool market has remained active.

Brazil.—June coffee shipments constituted a record for Santos, while for the whole of Brazil they were nearly double those for the preceding year. Shipments for the past crop-year to June 30th totalled 14,632,000 bags, compared with 13,258,000 bags in 1936-37. Nevertheless it is calculated that equilibrium between supply and demand will not be reached until the present average yearly production is reduced by four to five million bags. At the same time coffee is losing its previous predominance among Brazil's crops.

Japan

A recent cable states that war-time control is being applied to a wider field of economic activity. In spite of price control both commodity prices and the cost of living continue to rise. Foreign trade remains unsatisfactory. A new revolving fund has been established out of the nation's gold reserves for the purpose of financing the importation of the raw materials required by the export industries. Although money is easy the stock markets are subdued.

Statistics

BANK OF ENGLAND

Issue Department

	Note Circulation.	Govt. Debt.	Other Govt. Securities.	Other Securities.	Silver Coin.	Fiduciary Issue.	Gold.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
End March, 1931	357·1	11·0	232·0	12·9	4·0	260·0	144·5
" " 1932	360·5	11·0	240·9	19·3	3·8	275·0	120·8
" " 1934	378·8	11·0	245·4	0·1	3·5	260·0	191·1
" " 1936	406·5	11·0	246·5	1·5	1·0	260·0	200·6
" " 1937	473·8	11·0	187·0	2·0	—	200·0	313·7
" " 1938	485·4	11·0	188·2	0·8	—	200·0	326·4
July 20, 1938	487·1	11·0	188·5	0·5	—	200·0	326·4
July 27, 1938	493·3	11·0	188·9	—	—	200·0	326·4

Banking Department

	Public Deposits.	Bankers' Deposits.	Other Deposits	Govt. Secur- ities.	Discounts and Advances.	Other Secur- ities.	Reserve.	Propor- tion.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	%
End March, 1931	17·2	58·8	34·7	30·3	24·6	25·7	48·3	43·6
" " 1932	27·2	54·6	34·4	35·7	11·7	51·1	35·9	30·9
" " 1934	17·5	94·5	36·9	77·1	5·6	11·0	73·4	49·2
" " 1936	18·0	83·6	37·0	80·3	5·0	16·7	54·9	39·6
" " 1937	52·2	62·3	38·5	100·5	7·1	22·9	40·8	27·7
" " 1938	17·8	108·1	37·4	110·8	8·7	20·2	41·8	25·6
July 20, 1938	22·5	107·3	34·7	109·8	9·3	23·1	40·3	24·5
July 27, 1938	11·2	116·4	35·1	115·8	9·5	21·3	34·2	21·0

LONDON CLEARING BANKS (monthly averages)

	Deposits.	Accept- ances, Guaran- tees, etc.	Cash.	Balances and Cheques.	Call and Short Money.	Bills.	Invest- ments.	Advances.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
March, 1931	1,763·9	121·5	184·0	43·5	114·1	240·4	311·1	936·1
" 1932	1,676·4	98·7	174·0	43·4	112·5	216·8	281·9	902·1
" 1934	1,830·6	112·8	218·9	43·5	120·4	202·1	547·1	753·0
" 1936*	2,108·3	105·2	216·7	53·8	162·4	252·0	635·1	849·2
" 1937*	2,244·2	122·5	225·8	62·7	169·8	247·8	667·4	934·4
" 1938*	2,253·7	112·0	244·2	59·1	150·4	238·6	634·0	995·2
May, 1938*	2,262·7	116·0	231·1	61·6	146·1	279·6	630·6	981·0
June, 1938*	2,299·4	116·0	246·6	66·7	153·7	289·4	629·6	980·5

* Includes the District Bank.

LONDON BANKERS' CLEARING HOUSE RETURNS

	Town Clearing	Metropolitan Clearing	Country Clearing	Total
	£ mn.	£ mn.	£ mn.	£ mn.
1930	38,782	1,812	2,964	43,558
1931	31,816	1,668	2,752	36,236
1932	27,834	1,610	2,668	32,112
1933	27,715	1,657	2,766	32,138
1934	30,740	1,760	2,984	35,484
1935	32,444	1,887	3,229	37,560
1936	35,039	2,040	3,538	40,617
1937	36,719	2,162	3,805	42,686
1937 to July 28	22,029	1,279	2,208	25,516
1938 to July 27	19,506	1,225	2,153	22,884
1937, July (4 weeks)	2,987	184	309	3,480
1938, July, (4 weeks)	2,842	175	297	3,314

BANKERS' PROVINCIAL CLEARING RETURNS

	Mar., 1929	Mar., 1932	Mar., 1934	Mar., 1935	Mar., 1936	Mar., 1937	Mar., 1938	May 1938	June, 1938
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Birmingham...	11.9	9.0	11.3	9.6	10.7	11.3	10.6	10.0	9.9
Bradford ...	5.9	3.4	4.2	3.8	4.7	4.6	3.6	3.2	3.2
Bristol ...	5.3	4.9	5.4	4.9	5.5	5.5	5.9	5.9	5.2
Hull... ..	4.0	3.0	3.2	3.2	3.4	4.0	4.0	3.4	3.2
Leeds ...	4.4	3.8	4.4	4.3	3.9	4.8	4.3	4.0	3.5
Leicester ...	3.6	3.1	3.3	2.8	3.1	3.3	3.3	3.0	2.8
Liverpool ...	34.2	25.6	26.8	25.8	27.5	35.8	24.8	22.4	22.4
Manchester...	58.0	42.5	46.1	42.8	44.9	50.7	44.0	40.1	35.4
Newcastle-on-Tyne ...	6.5	5.7	6.9	5.5	5.7	6.3	6.9	6.7	5.9
Nottingham	2.8	1.9	2.0	2.0	2.1	2.3	2.3	2.1	1.9
Sheffield ...	4.6	3.3	3.6	3.4	4.3	6.0	4.8	4.5	4.3
	141.2	106.2	117.2	108.1	115.8	134.6	114.5	105.3	97.7

LONDON AND NEW YORK MONEY RATES

	LONDON					NEW YORK		
	Bank Rate	Treasury Bills		3 Months' Bank Bills	Short Loans	F.R.B. Re-discount Rate	Call. Money	Acceptances
		Tender Rate	Market Rate					
End March, 1931	3	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$ -2 $\frac{1}{2}$	2-2 $\frac{1}{2}$	2	1 $\frac{1}{2}$	1 $\frac{1}{2}$
" " 1932	3 $\frac{1}{2}$	2 $\frac{3}{4}$	1 $\frac{1}{2}$	2 $\frac{1}{2}$ -2 $\frac{1}{2}$	2-3	3	2 $\frac{1}{2}$	2 $\frac{1}{2}$
" " 1934	2	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2-1	1 $\frac{1}{2}$	1	1 $\frac{1}{2}$
" " 1936	2	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2-1	1 $\frac{1}{2}$	1	1 $\frac{1}{2}$
" " 1937	2	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2-1	1 $\frac{1}{2}$	1	1 $\frac{1}{2}$
" " 1938	2	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2-1	1	1	1 $\frac{1}{2}$
June 22nd, 1938	2	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2-1	1	1	1 $\frac{1}{2}$
July 27th, 1938	2	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2-1	1	1	1 $\frac{1}{2}$

FOREIGN EXCHANGES

London on	1936	1937	1938				
	July 29	July 28	June 29	July 6	July 13	July 20	July 27
New York—							
(a) Spot ...	5.01 $\frac{1}{2}$	4.97 $\frac{1}{2}$	4.95 $\frac{1}{2}$	4.94 $\frac{1}{2}$	4.93 $\frac{1}{2}$	4.92 $\frac{1}{2}$	4.92 $\frac{1}{2}$
(b) 3 months	1 $\frac{1}{2}$ c. pm.	1 $\frac{1}{2}$ c. pm.	1 $\frac{1}{2}$ c. pm.	1 $\frac{1}{2}$ c. pm.	1 $\frac{1}{2}$ c. pm.	1 $\frac{1}{2}$ c. pm.	1 $\frac{1}{2}$ c. pm.
Montreal ...	5.01 $\frac{1}{2}$	4.97 $\frac{1}{2}$	5.00 $\frac{1}{2}$	4.98	4.96 $\frac{1}{2}$	4.94	4.93 $\frac{1}{2}$
Paris—							
(a) Spot ...	75 $\frac{1}{2}$	132 $\frac{1}{2}$	177 $\frac{1}{2}$	177 $\frac{1}{2}$	178 $\frac{1}{2}$	178 $\frac{1}{2}$	178 $\frac{1}{2}$
(b) 3 months	Fr.5 $\frac{1}{2}$ dis.	Fr.4 $\frac{1}{2}$ dis.	Fr.1 $\frac{1}{2}$ dis.	Fr.1 $\frac{1}{2}$ dis.	Fr.2 $\frac{1}{2}$ dis.	Fr.2 $\frac{1}{2}$ dis.	Fr.2 $\frac{1}{2}$ dis.
Berlin—							
(a) Official ...	12.46 $\frac{1}{2}$	12.36 $\frac{1}{2}$	12.30 $\frac{1}{2}$	12.29 $\frac{1}{2}$	12.27 $\frac{1}{2}$	12.25	12.25 $\frac{1}{2}$
(b) Registered							
Marks	43 $\frac{1}{2}$ % dis.	44% dis.	53 $\frac{1}{2}$ % dis.	53 $\frac{1}{2}$ % dis.	53 $\frac{1}{2}$ % dis.	54% dis.	54 $\frac{1}{2}$ % dis.
Amsterdam ...	7.38 $\frac{1}{2}$	9.03 $\frac{1}{2}$	8.95 $\frac{1}{2}$	8.96 $\frac{1}{2}$	8.95 $\frac{1}{2}$	8.95 $\frac{1}{2}$	8.95 $\frac{1}{2}$
Brussels ...	29.74	29.54 $\frac{1}{2}$	29.22 $\frac{1}{2}$	29.18	29.12 $\frac{1}{2}$	29.10	29.09 $\frac{1}{2}$
Milan ...	63 $\frac{1}{2}$	94 $\frac{1}{2}$	94 $\frac{1}{2}$	93 $\frac{1}{2}$	93 $\frac{1}{2}$	93 $\frac{1}{2}$	93 $\frac{1}{2}$
Zurich ...	15.35 $\frac{1}{2}$	21.68	21.61 $\frac{1}{2}$	21.62	21.57 $\frac{1}{2}$	21.50	21.49
Stockholm ...	19.39 $\frac{1}{2}$	19.39 $\frac{1}{2}$	19.39 $\frac{1}{2}$	19.39 $\frac{1}{2}$	19.39 $\frac{1}{2}$	19.39 $\frac{1}{2}$	19.39 $\frac{1}{2}$
Madrid ...	36 $\frac{1}{2}$	85*	115*	115*	115*	115*	150*
Prague ...	121 $\frac{1}{2}$	142 $\frac{1}{2}$	142 $\frac{1}{2}$	142 $\frac{1}{2}$	142 $\frac{1}{2}$	142 $\frac{1}{2}$	142 $\frac{1}{2}$
Buenos Aires—							
(a) Export ...	15	15	15	15	15	15	15
(b) Import ...	17.08	16.00	16.00	16.00	16.00	16.00	16.00
(c) Free ...	18.20	16.46	19.05	18.99	19.00	18.89	18.91
Rio de Janeiro—							
Prov. Deposit Rate	85s600	74s600	87s220	87s030	86s750	86s510	86s700
Valparaiso ...	130*	131 $\frac{1}{2}$ *	125*	125*	125*	125*	125*
Bombay ...	18 $\frac{1}{2}$ d.	18 $\frac{1}{2}$ d.	17 $\frac{3}{4}$ d.	17 $\frac{3}{4}$ d.	17 $\frac{1}{2}$ d.	17 $\frac{3}{4}$ d.	17 $\frac{3}{4}$ d.
Hong Kong ...	15 $\frac{1}{2}$ d.	14 $\frac{1}{2}$ d.	14 $\frac{1}{2}$ d.	14 $\frac{1}{2}$ d.	14 $\frac{1}{2}$ d.	14 $\frac{1}{2}$ d.	15d.
Kobe ...	1/2	1/1 $\frac{1}{2}$	1/2	1/2	1/2	1/2	1/2
Shanghai ...	14 $\frac{1}{2}$ d.	14 $\frac{1}{2}$ d.	8 $\frac{1}{2}$ d.	8 $\frac{1}{2}$ d.	8 $\frac{1}{2}$ d.	9d.	9d.
Gold price ...	138s. 10d.	139s. 9d.	140s. 8 $\frac{1}{2}$ d.	140s. 11d.	141s. 2 $\frac{1}{2}$ d.	141s. 6d.	141s. 4d.
Silver price ...	19 $\frac{7}{16}$ d.	20d.	19 $\frac{1}{16}$ d.	19 $\frac{1}{16}$ d.	19 $\frac{1}{16}$ d.	19 $\frac{1}{16}$ d.	19 $\frac{1}{16}$ d.

* Nominal.

PUBLIC REVENUE AND EXPENDITURE

	1934-5	1935-6	1936-7	1937-8	1937-8 to July 24	1938-9 to July 23
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
REVENUE—						
Income Tax	228.9	238.1	257.2	298.0	26.4	24.7
Sur-Tax	51.2	51.0	53.6	57.1	5.7	6.9
Estate Duties	81.3	87.9	88.0	89.0	29.2	25.2
Stamps	24.1	25.8	29.1	24.2	5.5	5.6
National Defence Contribution	—	—	—	1.4	—	2.8
Customs	185.1	196.6	211.3	231.6	70.4	68.6
Excise	104.6	106.7	109.5	113.7	35.2	35.3
Motor Vehicle Duties (Exchequer Share) ...	5.1	5.0	32.7*	34.6*	5.9*	5.8*
Other Tax Revenue ...	3.1	2.1	1.7	1.7	0.1	0.3
Total Tax Revenue ...	683.4	713.2	783.1	841.3	178.4	175.2
Post Office (Net Receipt) ...	12.2	11.7	11.0	10.5	6.0	3.6
Crown Lands	1.3	1.4	1.4	1.3	0.5	0.5
Receipts from Sundry Loans	4.4	4.9	4.5	5.2	1.7	1.5
Miscellaneous Receipts ...	15.1	21.7	24.6	13.5	2.0	1.8
Total Non-Tax Revenue ...	33.0	39.7	41.6	31.3	10.2	7.4
Total Ordinary Revenue ...	716.4	752.9	824.7	872.6	188.6	182.6
Post Office	61.8	66.1	71.9	76.1	19.8	22.2
Road Fund	26.4	25.8	—	—	—	—
Total Self-balancing Revenue...	88.2	91.9	71.9	76.1	19.8	22.2
EXPENDITURE—						
National Debt Interest ...	211.6	211.5	210.9	216.2	87.2	87.1
Payments to N. Ireland ...	6.8	7.2	8.0	8.9	2.1	1.9
Other Cons. Fund Services...	3.6	5.7	3.2	3.1	1.4	1.2
Post Office Fund	2.3	1.1	0.4	—	—	—
Supply Services	472.2	512.0	594.7*	605.0*	171.8	205.2
Total Ordinary Expenditure ...	696.5	737.5	817.2	833.2	262.5	295.4
Sinking Fund	12.3	12.5	13.1	10.5	—	—
Self-balancing Expenditure (as per contra) ...	88.2	91.9	71.9	76.1	19.8	22.2

* Motor Vehicle Duties apportioned to Road Fund, treated as self-balancing in 1936-37, now added to Revenue and Expenditure figures for purposes of comparison.

PRODUCTION

				Coal	Pig-Iron	Steel
				Tons mill.	Tons thous.	Tons thous.
Total 1913	...	...	...	287·4	10,260	7,664
" 1925	...	...	...	243·2	6,262	7,385
" 1929	...	...	...	257·9	7,589	9,636
" 1930	...	...	...	243·9	6,192	7,326
" 1931	...	...	...	219·5	3,773	5,203
" 1932	...	...	...	208·7	3,574	5,261
" 1933	...	...	...	207·1	4,136	7,024
" 1934	...	...	...	221·0	5,969	8,850
" 1935	...	...	...	222·9	6,426	9,842
" 1936	...	...	...	228·5	7,686	11,705
" 1937	...	...	...	241·2	8,497	12,964
Total to June, 1937	...	...	...	120·9	4,011	6,338
Total to June, 1938	...	...	...	116·9	4,005	5,926

BOARD OF TRADE PRODUCTION INDEX NUMBER†
(1930 = 100)

	Complete Year		1937				1938
	1936.	1937.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.
Mines and Quarries	94·4	99·8	99·4	100·5	95·6	103·9	104·1
Iron and Steel	150·1	166·6	158·1	165·6	165·5	177·3	168·6
Non-Ferrous Metals	143·8	165·3	154·4	166·7	173·7	166·2	153·3
Engineering and Shipbuilding	123·3	136·3	136·4	138·2	134·9	135·3	133·7
Building Materials and Building	157·1	153·2	148·5	155·9	160·3	148·3	145·5
Textiles	126·4	129·6	130·1	135·1	127·5	125·8	116·7
Chemicals, Oils, etc.	115·4	124·5	122·3	126·4	123·8	125·5	127·2
Leather and Boots and Shoes	120·7	118·9	120·6	121·3	117·7	115·7	119·5
Food, Drink and Tobacco ...	114·5	119·9	111·2	124·9	120·3	123·2	116·0
Total*	124·6	133·1	131·3	133·8	130·4	136·6	132·7

* Includes paper and printing, gas and electricity, rubber, cement and tiles.

† Revised quarterly by the Board of Trade.

UNEMPLOYMENT

(a) Percentage of Insured Workers

Date	1929	1931	1932	1934	1935	1936	1937	1938
End of—								
January	12.3	21.5	22.4	18.6	17.6	16.2	12.4	13.3*
February	12.1	21.7	22.0	18.1	17.5	15.3	12.0	13.2*
March	10.0	21.5	20.8	17.2	16.4	14.2	11.6	12.9*
April	9.8	20.9	21.4	16.6	15.6	13.6	10.5	12.9*
May	9.7	20.8	22.1	16.2	15.5	12.8	10.7	13.0*
June	9.6	21.2	22.2	16.4	15.4	12.8	10.0	13.4*
July	9.7	22.0	22.8	16.7	15.3	12.4	10.1	
August	9.9	22.0	23.0	15.5	14.9	12.0	9.9	
September	10.0	22.6	22.8	16.1	15.0	12.1	9.7*	
October	10.3	21.9	21.9	16.3	14.5	12.0	10.2*	
November	10.9	21.4	22.2	16.3	14.5	12.0	11.0*	
December	11.0	20.9	21.7	16.0	14.1	12.0	12.2*	

* New Basis.

(b) Actual Numbers Employed and Unemployed (in thousands)

	Mar., 1932	Mar., 1935	Mar., 1936	Mar., 1937	June, 1937	Mar., 1938	May, 1938	June, 1938
Number employed ...	9,549	10,200	10,689	11,310	11,517	11,380	11,375	11,333
Wholly unemployed	2,129	1,727	1,551	1,330	1,096	1,356	1,307	1,284
Temporarily stopped	427	324	240	170	203	338	404	478
Normally in casual employment ...	104	92	88	76	71	70	69	68
Total unemployed ...	2,660	2,143	1,879	1,576	1,370	1,764	1,780	1,830

RAILWAY TRAFFIC RECEIPTS

	Four weeks ended				Aggregate for 29 weeks			
	July 25, 1937		July 24, 1938		1937		1938	
	Pas- sengers	Goods	Pas- sengers	Goods	Pas- sengers	Goods	Pas- sengers	Goods
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Great Western ...	1.2	1.2	1.2	1.1	5.9	9.0	5.9	8.6
London & North Eastern* ...	1.8	2.3	1.8	1.9	9.3	17.0	9.2	16.3
London Midland & Scottish ...	2.8	2.8	2.8	2.5	14.3	21.8	14.3	20.8
Southern ...	1.6	0.4	1.6	0.4	9.1	2.7	9.0	2.6
Total ...	7.4	6.7	7.4	5.9	38.6	50.5	38.4	48.3

* The London & North Eastern Railway Returns are made up a day earlier each week than the other lines.

RETAIL TRADE

(from the Board of Trade Journal)

Change in value since same date in previous year

	June, 1935	June, 1936	June, 1937	May, 1938	June, 1938
By CATEGORIES: Great Britain	%	%	%	%	%
Total	+ 5.8	+ 4.7	+ 4.8	- 6.1	+ 8.6
Food and Perishables	+ 7.1	+ 8.5	+ 4.5	- 3.9	+10.2
Other Merchandise	+ 4.5	+ 0.8	+ 5.0	- 8.3	+ 6.9
of which					
Piece-goods*	-12.5	+ 5.0	+ 2.6	- 2.3	- 1.5
(i) Household Goods	- 4.6	+ 9.9	+ 2.0	- 1.9	Nil
(ii) Dress Materials	-16.0	+ 3.1	+ 2.3	- 2.3	- 2.3
Women's Wear*	- 0.9	+ 1.3	+ 5.9	- 7.1	+11.9
(i) Fashion Departments	- 5.4	+ 3.8	+10.9	- 1.8	+13.6
(ii) Girls' and Children's Wear	- 5.3	- 6.5	+ 8.6	-11.3	+16.6
(iii) Fancy Drapery	+ 5.4	- 0.1	- 0.5	-12.8	+ 9.0
Men's and Boys' Wear	+ 8.2	- 2.1	+ 9.5	- 9.2	+ 1.2
Boots and Shoes	+ 9.5	- 4.1	+ 8.2	-16.7	+12.3
Furnishing Departments	+ 9.9	+ 2.4	+ 3.4	- 3.9	- 1.1
Hardware	+ 0.4	+ 4.1	+ 5.9	- 6.0	- 7.1
Fancy Goods	+ 5.9	- 0.5	+ 6.0	- 9.2	+ 3.3
Sports and Travel	+ 5.2	- 2.0	- 0.6	-14.5	- 5.8
Miscellaneous and Unallocated	+12.7	+ 5.9	- 5.7	- 7.1	+17.7
By AREAS—					
All Categories—					
Scotland	+ 5.7	+ 6.1	+ 2.6	- 5.5	+ 9.6
North-East	—	—	+ 2.9	- 6.2	+ 9.7
North-West	—	—	+ 2.8	- 6.8	+ 9.4
Midlands & South Wales	—	—	+ 6.8	- 5.4	+ 9.2
South of England	+ 7.9	+ 5.9	+ 6.0	- 4.8	+10.6
London, Central & West End	+ 0.9	+ 4.1	+ 7.9	- 8.6	- 3.7
London, Suburban	+ 2.7	+ 5.2	+ 3.6	- 5.7	+12.3

* Including some goods which cannot be allocated to sub-headings.

OVERSEAS TRADE

Date	IMPORTS				EXPORTS			
	Food	Raw Materials	Manufactured Goods	Total	Food	Raw Materials	Manufactured Goods	Total
Monthly Average—	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
1929 ...	44.6	28.3	27.9	101.7	4.6	6.6	47.8	60.8
1930 ...	39.6	20.9	25.6	87.0	5.3	5.3	36.7	47.6
1931 ...	34.7	14.4	21.8	71.8	3.0	3.9	24.3	32.6
1932 ...	31.1	13.7	13.1	58.5	2.7	3.6	23.0	30.4
1933 ...	28.3	15.0	12.6	56.3	2.4	3.8	23.4	30.6
1934 ...	28.9	17.5	14.3	61.0	2.5	4.0	25.4	33.0
1935 ...	29.6	17.7	15.4	63.0	2.6	4.4	27.4	35.5
1936 ...	31.9	20.7	17.7	70.7	3.0	4.3	28.4	36.7
1937 ...	36.0	26.3	22.9	85.7	3.2	5.4	33.7	43.5
June, 1937 ...	35.8	27.4	24.4	88.2	3.0	5.7	34.7	44.4
June, 1938 ...	38.4	19.4	18.1	76.5	2.7	4.6	28.8	36.9

SOME LEADING IMPORTS

Date	Wheat	Iron Ore and Scrap	Raw Cotton	Raw Wool	Hides, Wet and Dry	Wood Pulp	Rubber	Iron and Steel Manufactures
Monthly Average—	(thous. cwt.)	(thous. tons)	(thous. cents of 100 lbs.)	(thous. cents of 100 lbs.)	(thous. cwt.)	(thous. tons)	(thous. cents of 100 lbs.)	(thous. tons)
1929 ...	9,314	480	1,283	678	98	137	330	235
1930 ...	8,731	363	1,011	652	108	128	326	243
1931 ...	9,952	185	989	707	106	122	237	237
1932 ...	8,803	159	1,048	765	105	153	176	133
1933 ...	9,366	234	1,169	793	120	162	189	81
1934 ...	8,552	392	1,052	657	116	187	395	114
1935 ...	8,435	415	1,060	720	141	185	325	96
1936 ...	8,401	587	1,289	762	157	198	116	124
1937 ...	8,074	669	1,382	653	157	149	254	170
June, 1937 ...	8,093	734	1,120	817	152	155	234	175
June, 1938 ...	10,051	448	691	886	100	121	343	61

SOME LEADING EXPORTS

Date	Coal	Iron and Steel	Machinery	Cotton Yarns	Cotton Piece-Goods	Woollen Tissues	Worsted Tissues	Motor Cars
Monthly Average—	(thous. tons)	(thous. tons)	(thous. tons)	(mill. lbs.)	(mill. sq. yds.)	(thous. sq. yds.)	(thous. sq. yds.)	(number)
1929 ...	5,022	365	47	11.8	306	9,016	3,490	1,991
1930 ...	4,573	263	40	11.1	201	6,587	2,893	1,602
1931 ...	3,563	165	27	11.4	143	4,694	2,479	1,429
1932 ...	3,242	157	25	13.9	183	4,461	2,358	2,246
1933 ...	3,256	160	23	15.8	169	5,110	2,741	2,821
1934 ...	3,305	188	28	10.9	166	5,745	2,772	2,904
1935 ...	3,226	193	32	11.8	162	5,934	3,205	3,659
1936 ...	2,878	184	32	12.6	160	6,523	3,304	4,268
1937 ...	3,363	215	37	13.3	160	6,653	3,583	4,468
June, 1937 ...	3,482	235	38	14.3	155	6,302	3,942	4,119
June, 1938 ...	2,908	151	40	8.4	96	3,440	2,340	3,140

PRICES

1. WHOLESALE PRICES

Date	Index Number (Sept. 16th, 1931=100)				
	U.K.	U.S.A.	France	Italy	Germany
Average 1929 ...	150.9	139.4	141.3	146.0	126.1
1931 ...	107.7	103.5	105.5	103.5	101.9
1932 ...	103.5	89.3	92.0	93.1	88.7
1933 ...	103.5	93.7	87.7	86.6	85.7
1934 ...	106.4	111.1	83.1	84.2	90.4
1935 ...	108.1	120.3	78.4	97.2	93.5
1936 ...	116.2	121.4	90.6	112.5	95.6
1937 ...	134.6	131.5	127.0	133.4	97.3
End June, 1937 ...	136.6	134.6	121.4	134.1	97.4
" July, 1937 ...	138.0	133.8	130.8	137.1	97.9
" June, 1938 ...	120.2	117.6	147.3	143.8	96.9
" July, 1938 ...	122.3	118.3	147.8	142.7	97.3

Sources: U.K., "Financial Times"; U.S.A., Irving Fisher; France, Statistique Generale; Italy, Italian Chamber of Commerce; Germany, Statistische Reichsamt.

2. RETAIL PRICES (cost of living)

Date	Food	Rent (including Rates)	Clothing	Fuel and Light	Other Items included	All Items included
End of 1929 ...	57	52	115	75	80	66
1931 ...	31	54	90	75	75	47
1932 ...	23	55	85	70-75	70-75	42
1933 ...	24	56	85	70-75	70-75	42
1934 ...	25	56	85-90	70-75	70-75	44
1935 ...	31	58	85	75	70	47
1936 ...	36	59	90-95	75-80	70	51
End June, 1937 ...	40	59	105	75	75	55
" May, 1938 ...	38	60	110	75-80	75	55
" June, 1938 ...	46	60	110	75-80	75	59

The figures represent the percentage increase above July, 1914, which is equal to 100.

3. COMMODITY PRICES (average for month)

Date	Wheat No. 1 N. Manitoba	Sugar Centrifugals U.K.	Cotton American Middling	Wool 64's tops avge.	Pig-Iron, Cleveland No. 3.	Tin, Standard Cash	Rubber Plantation Sheet
	per qr. s. d.	per cwt. s. d.	per lb. d.	per lb. d.	per ton s. d.	per ton £	per lb. d.
Average 1929 ...	54 0½	9 0½	10.29	38½	70 4½	203½	10½
1931 ...	28 2½	6 4½	5.08	23½	58 7	118½	3½
1932 ...	30 6½	5 9½	5.29	22½	58 6	136½	2½
1933 ...	28 2	5 4	5.53	28½	62 3	194½	3½
1934 ...	30 11	4 8½	5.66	30½	66 10½	230	6½
1935 ...	34 3½	4 8	6.69	28	67 10	225½	5½
1936 ...	38 0	4 8½	6.67	32½	73 0	204½	7½
1937 ...	53 11½	6 4½	6.37	35½	91 10	243½	9½
July, 1937 ...	55 7½	6 8	6.71	37½	101 0	263½	9½
June, 1938 ...	45 6½	5 2½	4.58	25½	109 0	173½	6½
July, 1938 ...	41 7½	5 3½	5.01	25½	109 0	193½	7½



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